

**Minority Report
For the
2006 Regional Transportation Commission's Findings
Commissioner Dan McDonald**

It is always easier to find fault than find a new way of doing things. Consider this advice given to one leader:

It must be remembered that there is nothing more difficult to plan, more uncertain of success, nor more dangerous to manage than the creation of a new order of things, for the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones.

This phenomenon that Machiavelli describes to the Prince is very real and the reason that I was initially reluctant to raise issues when I agree with my Commission colleagues that something needs to be done; however, not just anything will do. This commission was filled with good people who care passionately about the transportation issue and are as deeply concerned about Washington's future. Unfortunately the failure of Blue Ribbon Commissions is an annual event in Olympia.....the cause is usually good intentions prevailing over hard choices. I fear that in five of the recommendations in this report such is the case, hence this minority report.

While the Commission is in unanimous agreement with the main premise of the report's recommendation - this region needs a comprehensive governing body to coordinate and prioritize new highway and transit investments in the region - we are clearly not in agreement on some of the details. This Commission's report seems to imagine a gigantic, unrealistic, new stream of tax revenue. And even for the more modest and do-able tax there seems to be little to assure voters of fair representation or identifiable solutions to congestion that are proportional to their new sacrifice. Citizens in the Central Puget Sound want some hope of a shorter commute to work as well the ability to move about the region to do their families' business and pursue recreation without excessive delays. Yet congestion relief seems curiously to have been forgotten as the primary focus for the Commission recommendations.

In my opinion the plan in this report fails in five significant ways to address the region's needs. They are as follows:

- 1. The report fails to adequately address one of the two primary charges of the commission – this to “develop a comprehensive regional transportation finance plan.”**
- 2. The recommendations in this report lose focus on the main problem of congestion and take on additional tasks without a plan to pay for them.**
- 3. The report raises hope that a massive, regressive tolling scheme on new and existing highways/arterials can make us change our ways and somehow fix our region's road system with only modest effort.**

4. Its recommendations increase the risk that the vast majority of the region's money will be raised in the entire Central Puget Sound, but be spent first and largely in the Seattle area.
5. The report's primary recommended governance fails to adhere to the principle of representative democracy. The proposed governance structure does nothing to reassure the majority of voters outside of the Seattle/Lake Washington area that they can trust this new entity to represent them fairly and improve the quality of life in their area.

Following is an expansion and further explanation to each of the issues raised above.

Issue #1 - The report fails to adequately address one of the two primary charges of the commission – this to “develop a comprehensive regional transportation finance plan”

This report does not lay out a vision based on fiscal reality. Instead it seems to imagine a stream of new tax dollars beyond any that even the Commission could identify. Compounding that problem, it fails to lay out a rational vision about the tough choices that need to be made between transit and major highways to maximize relief of congestion in the region within funds that could be conceivably available.

The table below summarizes the estimate of options for various major taxes that RTC's revenue sub-committee considered. Other revenue sources such as a carbon tax, parking tax and others were not considered because they were likely contentious without the offsetting benefit of being productive in terms of raising major amounts of revenue.

Source	Net Present Value ¹ (\$000)	Estimated List (\$000)
Property Tax (\$1/\$1000)	\$6,799,883	\$6,799,883
Sales Tax to 10% in Region	\$12,647,066	\$12,647,066
MVET at 2.2% (pre-SSB6247) ²	\$6,849,169	\$6,849,169
County Option Fuel Tax	\$1,069,318	\$1,069,318
Regional Tolling – Max. Vehicle Throughput	\$2,590,938	\$2,590,938
Regional Tolling – Max. Revenue	\$4,498,508	
Stand - Alone AWW – Max. Vehicle Throughput	\$130,672	
Stand – Alone AWW – Max. Revenue	\$69,544	
Fare box increase to \$2.00 average ³	\$3,537,173	
Fare box increase to \$3.00 average	\$4,398,575	\$4,398,575
Fare box increase to \$4.00 average	\$5,179,690	
Estimated Maximum Regional Revenue		\$34,354,947

¹ All revenues were estimated by the Senate Transportation and Senate Ways and Means Committee assuming 25 years of tax/toll/fare revenue discounted at 6% to calculate a Net Present Value (NPV).

² This is for King, Snohomish and Pierce Counties alone. Kitsap County MVET information was not readily available

³ Fare box is presently at a weighted average of \$1.26/trip throughout the region.

2007 RTID Proposal ⁴	\$7,500,000
2007 Sound Transit Proposal	\$7,400,000
Estimated Max. Regional Revenue assuming passage	\$19,454,947

The task of the revenue sub-committee was to estimate the practical maximum total revenues available to a regional body if they brought forth a compelling Highways and Transit package that the voters embraced enthusiastically. This required some subjective decisions; hence the sub-committees assumptions necessary to achieve this outside limit are listed below:

- a. A maximum property tax of \$1/\$1000 of assessed evaluation – approximately \$350/yr for the average homeowner, **and**
- b. A 10% sales tax throughout the region, but not beyond, **and**
- c. A Motor Vehicle Excise Tax (MVET) at pre-Eyman levels, **and**
- d. The maximum allowable 10% addition gasoline tax of 3.9 cents/gallon in the region, **and**
- e. Tolling⁵ on all existing major highways⁶ to maximize vehicle throughput, **and**
- f. Increased regional average fare for all forms of transit from the present average of \$1.26/trip to an average of \$3/trip

One can only image what a daunting task this would be to convince regional voters to actually impose all these taxes and to dedicate them only to major highway/transit fixes. If the region voted for all of these revenue sources the value of that package is \$35.5 B. But the Puget Sound Regional Council, after accounting for all present sources of revenue, estimates a \$62.0 B shortfall.

The reaction of the Commission's report to this cold, hard reality was not one of alarm but seemed to be:

- At least we have half the money
- Somehow we'll muddle through,
- The Feds or the State should give us the money or
- Maybe we can find some other new tax source that will do the trick.

The fact is that if the 2007 RTID/Sound Transit package passes in November, the amount of taxing capacity left in the region will be \$19.5 B and the PSRC shortfall will be an alarming \$47 B. This is time for laser focus on the problem of

⁴ Estimates were by Senate Transportation Committee Staff as of January 16, 2007

⁵ Tolling can be used to maximize the number of autos moving past a given point (maximum throughput), or for maximum revenue. Both numbers are presented in the table, but the revenue estimate was for the lower maximum throughput number which would maximize the use of the major highways.

⁶ This is based on a WSDOT/Parsons Brinkerhoff study conducted in 2000 and includes tolling on I-5, I-405, SR-167, SR-99, SR-509, I-90 and SR-520

congestion relief, tough choices and shrewd decisions about where to invest our money between highways and transit to minimize congestion.

Issue #2 – The recommendations in this report lose focus on the main problem of congestion and take on additional tasks without a plan to pay for them.

The report compounds the fiscal dilemma outlined above by taking on a huge new responsibility not envisioned in either the Legislature's or the Governor's mandate. The Commissions report suggests not only taking on the two anticipated responsibilities in the new governance/financing structure:

1. Regional Transit - presently Sound Transit's responsibility and
2. Major Highways (a specific, well-defined list) - presently the Regional Transportation Investment District's (RTID) responsibility

But now

3. A new, huge, undefined category entitled "Roads of Regional Significance". Presently local government's responsibility, but under this plan would become this new body's sole responsibility to plan and fund.

The report's recommendations are like a man walking into a store worried that the hundred dollars he has in his wallet, all the money he has left, is not enough to buy the two important items necessary for his family. Then he comes to the conclusion after some pondering that the solution to his problem is to buy those two things and add a third.....with the same hundred dollars!

Issue #3 - The report raises hope that a massive, regressive tolling scheme on new and existing highways/arterials can make us change our ways and somehow fix our regions road system with only modest effort.

One of the recommendations of the report is that demand management holds an intriguing answer to many of our congestion woes; however "Demand Management" is never defined as anything other than tolling, parking fees and vague undefined changes to employment practices/work hours. But the only concrete and substantive tool of demand management cited by the report is tolling.

According to testimony before the Commission, one of the major problems with tolling is driver's propensity to move congestion from tolled to non-tolled facilities because of their natural disinclination to pay. We were told the scheme necessary to make this concept work is to employ vehicle-mounted transponders to track drivers and then charge them for use of virtually every road beyond residential streets. This means tolling on all existing freeways, highways, bridges and arterials as well as on new or replacement structures. Taken to its logical conclusion, one would not only pay for the right to drive on a new SR-520 bridge,

but on the existing I-5, I-405, SR-167, SR-9 as well as on Mercer St., Petrovitsky and Bel-Red Roads. One only has to remember the contentious nature of the debate over tolling for the Narrow Bridge and SR-18 improvements to imagine the outcry of citizens required to pay for driving rights on roads already built and paid for with their tax dollars with **no** promise of offsetting improvements.

Beyond the civil liberty concerns of government knowing where you went and how you got there 24/7 and the massive regressive nature of a universal tolling scheme, there is one very large practical problem. Once government invades their privacy, takes “free” out of freeway and charges for roads previously built with their tax dollars, people are going to be unhappy. It will make returning to those same citizens to ask them to raise their taxes to pay for transportation improvements next to impossible. And yet this is exactly what the revenue numbers in the table above make clear must happen.

Finally the report seems to suggest and raise the hope that somehow if “demand management” can be put in place to modify our urge to drive, the present highway and arterial system could work. And the system would work with only modest and do-able modifications, leaving large regional resources for other things. This could happen, we seem to be told, if people would just pay tolls, change their driving habits, use transit, and (if business would) have more flexible work hours. The facts paint a very different picture.

Issue #4 - Its recommendations increase the risk that the vast majority of the region’s money will be raised in the entire Central Puget Sound, but be spent first and largely in the Seattle area.

The report recommends suspending sub-area equity, a principle presently adhered to by both Sound Transit (S/T) and RTID Boards in fairly allocating tax dollars collected by sub-region. It requires that roughly the same amount of money raised in each of the region’s five sub-areas⁷ be spent to solve that area’s transit and highway congestion problems. This report suggests a radical change with only the vague assertion that adherence to S/T and RTID’s adopted principle somehow robs our region of optimizing transportation investments. This could be a fair question if an example were ever given of where this has happened or if a plan was brought forward as to where and on what the money from the other sub-areas should be disproportionately invested more wisely. Neither example nor plan was ever offered.

Issue #5 - The report’s primary recommended governance fails to adhere to the principle of representative democracy. The proposed governance structure does nothing to reassure the majority of voters outside of the Seattle/Lake

⁷ These are, East King County, South King County, North King County (all of Seattle including the cities north to the County line, Pierce County and Snohomish County).

Washington area that they can trust this new entity to represent them fairly and improve the quality of life in their area.

One of the abiding principles of fairness in our state has been that a new taxing district formed to perform a special task for a region's voters **and** funded by that region's citizens with taxes on them above and beyond normal state taxes should be run by people accountable to that region's voters alone. This principle is abandoned in this report's proposal to the Legislature.

This district is big in that its 3,431,000 residents make it:

- Over half the population of the State of Washington
- Larger than 20 states of the 50 states in the Union
- Larger than 8 of the 13 western states
- Only 200,000 residents smaller than the entire state of Oregon
- The size of 5 Congressional districts

The Commission first toyed with the idea of electing the new board in the entire district at large, but once members realized that this would be the equivalent to running statewide in Oregon, that plan was abandoned. The primary recommendation of the report is for a fifteen member board with six of the members appointed by the Governor and nine members elected from equal sized districts. The stated reason for this departure from representative democracy was that the election process wouldn't produce members with the expertise necessary for thoughtful and informed decision making. Having made this assertion, however, the Commission was unable to identify what it wanted these appointees to be expert in; that choice was left to the staff writing the report to list.

If the RTC's recommendation were adopted, this new region's nine districts will start out with a population of 381,000 citizens which is:

- Three times the size of a legislative district (128,000)
- One-half the size of a Congressional District (699,000)

These are very large districts and the sheer size would require a candidate to rely heavily on media instead of shoe leather to get their message out. In a "down ballot" campaign, this is a formula for heavy election dominance by money and special interest.

Nine elected members with districts based on equal population would mean an elected representation by county as follows:

King	4.8 districts
Snohomish	1.7 districts
Pierce	1.9 districts

Kitsap	0.6 districts
Governor	6.0 districts
Total	15.0 districts

Under the RTC's primary recommendations, let's assume that the Governor's appointees are in agreement that transportation solutions should start from the center of the region with Seattle as its hub and projects in and around Seattle should be our first and overwhelming priority. Given that predisposition, those six appointees and the two elected primarily by Seattle voters would form a coalition and a majority of eight. Then it doesn't matter what three-quarters of the region's elected representative's think is fair - they can simply be outvoted. And since based on the RTC's previous recommendation sub-area equity has been repealed, there is nothing to stop them.

It is this kind of disproportional dominance that most people in the region fear. It is the reason sub-area equity in the first place and is the basis for voter reluctance to support regional governance. That is why it is so curious that having stated that the primary goal of the RTC's plan was to raise voter confidence in the region that it would turn around to fuel those fears with the repeal of sub-area equity and abandonment of representative democracy.

It is for that reason that the RTC's second recommended option for all fifteen members being elected seems so much more appealing and reassuring. Adoption of that plan would mean elected representation by county of:

King	7.8 districts
Snohomish	2.9 districts
Pierce	3.2 districts
Kitsap	1.0 districts
Total	15.0 districts

Under this scenario districts will start out with a population of 229,000 residents

- One and three-quarters the size of a legislative district (128,000)
- One-third the size of a Congressional District (699,000)

These will still be large districts but are now in the range where shoe leather can be the dominant means for candidates to get their message out, lessening the probability of election dominance by money and special interest.

It is for these reasons that I recommend adoption of the Commission's second recommendation for an all-elected board that upholds this state's long adherence to the principle of representative democracy.